

Honorable Dick Armey
Majority Leader
United States House
of Representatives
Washington, DC 20515

Dear Congressman Armey:

This is in response to your September 22, 1999, letter in which you, Senators Thompson and Domenici and Representatives Burton and Kasich requested that we provide an assessment of the management challenges facing the Department of Education.

Many of the challenges facing the Department of Education involve long-term issues that we continue to monitor. The enclosed document presents a description of the challenges and the work the Department is doing or needs to do in order meet the challenges.

In our previous responses on management challenges, we identified several issues relating to the delivery of student financial assistance. In the Higher Education Act Amendments of 1998 (P.L. 105-244, October 7, 1998), a Performance-Based Organization (PBO) was created to address many of the management challenges that we discussed in our previous responses. Specifically, it increases the accountability of the responsible officials, requires the integration of the SFA information systems, the implementation of an integrated delivery system and the development, and maintenance of a system containing complete, accurate and timely data to ensure program integrity. The Office of Inspector General has offered advice and assistance to the PBO.

In your letter, you also requested that we identify programs that are not achieving intended results. At this time, we have made no such conclusions as part of our work. The Department must issue its first performance report under the Government Performance and Results Act in March 2000.

You also asked for a listing of significant open audit recommendations. They will be provided under separate cover.

I hope the attached information is helpful. A similar letter has been sent to Senators Thompson and Domenici and Representatives Burton and Kasich. If you need additional information, please contact me or Ms. Catherine Gromek at (202) 205-5525.

Sincerely,

Lorraine Lewis

Enclosures

cc: Honorable Richard Gephardt
Minority Leader
United States House of Representatives

Honorable Scott Fleming
Assistant Secretary (Legislation
and Congressional Affairs)